

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

\_\_\_\_\_  
In the Matter of )  
)  
)

SPRINT COMMUNICATIONS COMPANY, L.P., )  
)

Complainant, )

MDRD ECFS No. 14-223

v. )

File No. EB-14-MD-014

NORTH COUNTY COMMUNICATIONS )  
CORPORATION, )  
)

Defendant. )  
\_\_\_\_\_ )

EXHIBITS  
TO ANSWER OF NORTH COUNTY COMMUNICATIONS

R. Dale Dixon, Jr.  
Law Offices of Dale Dixon  
402 W. Broadway, Suite 1500  
San Diego, California 92101  
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Fax: 888.677.5598  
Email: [dale@daledixonlaw.com](mailto:dale@daledixonlaw.com)

*Counsel for North County  
Communications Corporation*

December 17, 2014

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# EXHIBIT NCC-1

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## SETTLEMENT AND SWITCHED ACCESS SERVICE AGREEMENT

between

SPRINT Communications Company L.P.	SPRINT Contact: Dana Amacher
6500 Sprint Parkway, KSOPHL0412	Telephone No.: 913-315-5433
Overland Park, KS 66251	Facsimile No.: 913-315-0205

and

CLEC: North County Communications	Contact: Todd Lesser
Address: 3802 Rosecrans Street, #485 San Diego, CA 92110	Telephone No.: 619-364-4750
	Facsimile No.: 619-364-4710
Effective Date: January 22, 2002	

This Settlement and Switched Access Service Agreement is entered into by and between SPRINT Communication Company L.P., on behalf of itself and each of its subsidiaries ("SPRINT"), and North County Communications ("North County").

WHEREAS, prior to January 1, 2002 North County issued invoices to SPRINT for switched access services at the rates set forth in North County's switched access services tariffs; and

WHEREAS, SPRINT objected to and disputed its obligation to pay North County's invoices for services rendered through December 31, 2001 (the "Dispute"); and

WHEREAS, the Dispute resulted in SPRINT refusing to pay North County's invoices; and

WHEREAS, the parties have agreed to resolve their Dispute by agreeing on an amount to be paid by SPRINT to North County in settlement of invoices for switched access services prior to January 1, 2002 and by entering into an agreement for North County's provision of Switched Access Services (as defined herein) to SPRINT from and after the Effective Date on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, SPRINT and North County agree as follows:

## A. Settlement

1. SPRINT and North County agree to settle the Dispute by the payment by SPRINT within fifteen (15) business days of the date this Agreement is executed by both parties of Thirty Two Thousand Three Hundred Dollars (\$32,300.00) (the "Settlement Amount"), covering the usage period through and including December 31, 2001.

2. The execution of this Agreement, together with SPRINT's payment, and North County's acceptance, of the Settlement Amount shall constitute full and final satisfaction of the Dispute.

3. The parties acknowledge and agree that this Agreement and the payment of the Settlement Amount are the result of a compromise and shall not be, nor shall they ever be deemed or construed to be, an admission by any party of any liability, wrongdoing, or responsibility on its part or on the part of its predecessors, successors, assigns, agents, employees, representatives, attorneys, parents, subsidiaries, affiliates, officers, directors or shareholders. The parties expressly deny any such liability, wrongdoing or responsibility.

4. In consideration hereof, the parties and their respective predecessors, successors, assigns, agents, employees, representatives, attorneys, parents, subsidiaries, affiliates, officers, directors or shareholders hereby mutually release each other and each other's respective predecessors, successors,

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assigns, agents, employees, representatives, attorneys, parents, subsidiaries, affiliates, officers, directors or shareholders from any and all claims, counterclaims, debts, demands, actions, causes of action, liabilities or controversies whatsoever, whether at law or in equity, whether in contract, in tort or under statute, arising out of or related to, in whole or in part, the Dispute and any and all claims, counterclaims or lawsuits arising out of or related to the Dispute that could have been brought before any state, local or federal court, or state or federal agency, or in any arbitration proceeding, whether now known or unknown, liquidated or unliquidated, as of January 1, 2002, including without limitation all claims and counterclaims brought by the parties against each other in the Action.

#### B. Switched Access Services

SPRINT and North County hereby agree that the following terms and conditions will apply to the Switched Access Service furnished by North County to SPRINT after the usage period through and including December 31, 2001. Words and phrases spelled with initial capital letters refer to information specified at the top of this Agreement or terms defined within the relevant Section of the Agreement.

##### 1. Contract Period

This Agreement with respect to Switched Access Services effective January 1, 2002 and will continue in effect until terminated in accordance with this Agreement. Either party may terminate this Agreement: (a) at any time after the date that is four (4) years following January 1, 2002 upon one hundred twenty (120) days' written notice to the other party; or (b) upon sixty (60) days' notice at any time if the other party fails to cure a material breach within sixty (60) days after the non-breaching party provides written notice thereof.

##### 2. Areas Served

North County will offer Switched Access Service to SPRINT under the terms, conditions and pricing principles of this Agreement within each geographic area in which North County directly or through an Affiliate (as defined in Section 9) provides local exchange services ("Serving Areas") and switched access. North County will notify SPRINT at the time that North County begins offering local exchange services in any new Serving Area.

##### 3. Service

3.A "Switched Access Service" means a service that provides a circuit-switched connection between (1) the point of call origination or termination and (2) a third-party tandem switch or a direct trunk

installed between North County's and SPRINT's switching centers (regardless of the party providing the trunk). Switched Access Service will connect all types of calls, including but not limited to, interLATA, intraLATA toll and international calls, excluding local traffic to the extent described in Section 4. SPRINT will designate whether Switched Access Service will be delivered via tandem transport or direct trunks provided by SPRINT. SPRINT will pay for Switched Access Service for all traffic North County validly originates to SPRINT's network and for all traffic SPRINT terminates to North County.

3.B North County will provide Customer Account Record Exchange (CARE) information to SPRINT at no additional charge and pursuant to the most current SPRINT Requirements for Customer Account Record Exchange (CARE) document, a copy of which has been provided to North County.

3.C North County will measure the duration of each call in tenths (10<sup>th</sup>) of a second increments. All Switched Access Service minutes of use ("MOU"), or fractions thereof, will be accumulated over the billing period among all Serving Areas and will then be rounded to the nearest whole minute.

##### 4. Right to Resell

SPRINT will have the right to resell or repackaging under any SPRINT brand name, or under such other name or mark as SPRINT may elect, Switched Access Service provided to SPRINT by North County under this Agreement.

##### 5. Pricing Principles

5.A Unless otherwise agreed to in writing by North County and SPRINT, the rates and charges listed on Schedule A are the sole charges that apply to Switched Access Service provided under this Agreement after December 31, 2001 usage.

5.B A per-call 800/8YY Charge is applicable in the event that North County performs an 800/8YY database query and the 800/8YY number is a number for which SPRINT is the service provider. The amount of the 800/8YY Charge will be no higher than the higher of (a) the then current price charged by the ILEC for the same functionality within the Serving Area.

5.C North County will charge SPRINT, as separately identified items on North County's bills, for any state and local sales and use taxes and federal excise taxes that are required by law to apply to SPRINT's purchase of Switched Access Service from North County under this Agreement unless SPRINT has provided North County a tax exemption certificate or a letter of indemnification reasonably acceptable to North County. North County will not charge SPRINT for any other taxes, fees, or surcharges, however designated, including, but not limited to, real or

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personal property taxes, income taxes, gross receipts taxes, franchise fees, license fees, permit fees, and occupational fees, unless (1) SPRINT agrees in writing that such other charges are properly applied against SPRINT, or (2) an appropriate judicial or administrative body issues a non-appealable ruling that such other charges are properly charged against SPRINT or another similarly situated party.

#### 6. Billing and Payment

**6.A** Unless otherwise mutually agreed to by the parties, North County will use the then current Small Exchange Carrier Access Billing ("SECAB") guidelines, or other system that emulates the output of SECAB, for billing all charges under the Agreement. North County will obtain and implement in a timely manner all updates to the SECAB industry standard guidelines. SPRINT and North County, by mutual agreement, will (1) establish the day of the month on which the billing period will end, and (2) determine the bill medium (*i.e.*, magnetic tape, paper or data transmission network based on CONNECT:Direct<sup>®</sup> technology). Bills will contain sufficient supporting details to allow SPRINT to account for the charges and to verify their accuracy in a reasonable and timely fashion.

**6.B** SPRINT will make payment to North County by check or, at SPRINT's option, by electronic funds transfer to an account designated by North County within thirty (30) days after SPRINT's receipt of a reasonably acceptable bill. Notwithstanding the foregoing, SPRINT retains the right to withhold all, or a portion, of the payment because of disputes over all, or a portion, of the bill, respectively. SPRINT may only withhold that portion of the bill that is being disputed, and only if it provides a written statement of the basis for the dispute to North County at the time it withholds a payment.

**6.C** Notwithstanding anything to the contrary in this Agreement, if during the term of this Agreement, North County offers any service that is similar to the Switched Access Service offered under this Agreement to any customer other than SPRINT Area at a price (taking into account any volume or other discounts, credits, or other reduction in compensation) that is less than the applicable price for the Switched Access Service offered by the terms of this Agreement, then North County will offer such service to SPRINT in the same Serving Area at terms, conditions and prices no less favorable than those offered to such other customer.

#### 7. North County Regulatory Approvals and Tariffs

North County warrants that it has and will maintain, at

its own expense, all regulatory certifications, authorizations, and permits needed to offer the Switched Access Service described in this Agreement. North County will not file any tariff or tariff revisions that materially alter the terms and conditions, or pricing, of this Agreement. In the event of a conflict between the terms of this Agreement and the terms of North County's tariff, this Agreement shall control.

#### 8. Delegation or Assignment

Neither party may assign this Agreement without the prior written approval of the other party, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, either party may assign all or any part of this Agreement to any Affiliate without obtaining the other party's consent. "Affiliate" means an entity, which (directly or indirectly) controls, is controlled by, or is under common control with either North County or SPRINT, where "control" means the direct or indirect ownership of more than fifty percent (50%) of the voting equity.

#### 9. Confidentiality and Proprietary Information

**9.A** For purposes of this Agreement, "Proprietary Information" means information that is marked or otherwise specifically identified in writing as proprietary, confidential or trade secret. Proprietary Information includes, but is not limited to, this Agreement, the payments to North County by SPRINT and volume of traffic between the parties. Notwithstanding the foregoing, either party may advise a state or federal regulatory body, including without limitation the FCC, that it has reached a resolution of the Dispute, and may disclose the terms of this Agreement as required by law, judicial, administrative or regulatory proceeding.

**9.B** Each party will hold in confidence Proprietary Information disclosed by the other party except if it (1) was previously known by the receiving party free from any obligation to keep it confidential, (2) is independently developed by the receiving party, (3) becomes publicly available, or (4) is disclosed to the receiving party by a third party without breach of any confidentiality obligation.

**9.C** If either party is compelled to disclose Proprietary Information in judicial or administrative proceedings, such party will give the other party the opportunity, in advance of such disclosure, to seek protective arrangements and will cooperate with the other party in that regard.

#### 10. Publicity and Advertising

Neither party will publish or use any advertising,

\* CONNECT:Direct is a registered trademark of Sterling Software, Inc.

promotional efforts, press releases or other publicity of any kind that use the other party's name, logo, trademarks or service marks without the prior written approval of the other party.

11. Additional Terms and Conditions

11.A Failure of either party to enforce any right or remedy available to it under this Agreement will not be construed as a waiver of the right or remedy with respect to any other breach or failure by the other party.

11.B This Agreement does not provide and is not intended to provide third parties with any remedy, claim, liability, reimbursement, cause of action, or other privilege.

11.C California law governs all substantive matters pertaining to the interpretation and enforcement of the terms of this Agreement. In addition, this Agreement is expressly subject to the Communications Act of 1934, as amended, and rules promulgated thereunder.

11.D Titles to sections, appendices, and the like are used merely for convenience and will not be taken as an interpretation of the contents of those provisions or as an attempt to enlarge, limit, or define terms covered by this Agreement.

11.E This Agreement may be modified or amended only by written agreement executed by authorized representatives of both North County and SPRINT.

11.F This Agreement is intended to establish a relationship of supplier and customer between North County and SPRINT. The undertakings described in this Agreement will not be deemed to constitute a

joint venture or partnership between North County and SPRINT.

12. Notices

All notices required or permitted under this Agreement and all requests for approvals, consents, and waivers must be in writing and must be delivered by a method providing for proof of delivery (including express courier and facsimile or email if receipt is acknowledged by the recipient) and will be deemed delivered when actually received. Any notice or request will be delivered to the addresses specified on page 1 of this Agreement until a different address has been designated by notice to the other.

13. Entire Agreement

This Agreement constitutes the entire agreement between North County and SPRINT with respect to the subject matter hereof. This Agreement supersedes all other memoranda, proposals, representations, statements, agreements, or understandings, whether written or oral, made concerning such subject matter prior to mutual execution hereof.

*In witness whereof*, the parties have executed this Agreement through their authorized representatives.

NORTH COUNTY  
COMMUNICATIONS

By: Todd Lesser  
Todd Lesser  
President

Jan 30, 2002  
Date

SPRINT COMMUNICATIONS  
COMPANY L.P.

By: Jan D. Palt

Feb 6, 2002  
Date

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## Schedule A

### Switched Access Rates and Charges

1. North County's rates for interstate switched access services in each Serving Area shall be no higher than the rates for switched access services applicable in such serving Area as set forth in the Seventh Report and Order and Further Notice of Proposed Rulemaking released by the FCC on April 27, 2001 in *Access Charge Reform*, Docket No. 96-262 (the "CLEC Access Charge Order"). Both parties agree to abide by that Order as well as any future change in law resulting from modification of the rights, duties, limitations, and obligations created by the Order, whether on reconsideration by the FCC, or judicial appeal, or on remand to the FCC. Any such change in law will have only prospective effect and will have no effect on any amounts paid under this Agreement prior to the change in law. Such change in law will take effect upon the January 1, 2002 of any applicable FCC order or judicial decision.

2. North County's rates for intrastate switched access services in each Serving Area shall be as follows:

(a) from January 1, 2002 through June 19, 2002, North County's intrastate switched access service rates in each Serving Area shall be no higher than the higher of (i) \$0.025 per minute of use, or (ii) the then current intrastate rate of the ILEC in such Serving Area for the same functionality, taking into account call direction (*i.e.*, originating or terminating);

(b) from June 20, 2002 through June 19, 2003, North County's intrastate switched access service rates in each Serving Area shall be no higher than the higher of (i) \$0.020 per minute of use, or (ii) the then current intrastate rate of the ILEC in such Serving Area for the same functionality, taking into account call direction (*i.e.*, originating or terminating);

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(c) from June 20, 2003 through June 19, 2004, North County's intrastate switched access service rates in each Serving Area shall be no higher than the higher of (i) \$0.015 per minute of use, or (ii) the then current intrastate rate of the ILEC in such Serving Area for the same functionality, taking into account call direction (*i.e.*, originating or terminating); and

(d) from June 20, 2004 through June 19, 2005, North County's intrastate switched access service rates in each Serving Area shall be no higher than the higher of (i) \$0.010 per minute of use, or (ii) the then current intrastate rate of the ILEC in such Serving Area for the same functionality, taking into account call direction (*i.e.*, originating or terminating).

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# EXHIBIT NCC-2

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**FREE BONUS**

Test Our FREE Line  
**(212) 279-5712**  
If It's Busy, It's Likely There's  
SOMEONE WAITING TO TALK TO YOU!  
Then call Our Regular Number: **279-MEET**

## MEET AND TALK WITH ANOTHER GAY MAN

Our computer-run phone service will connect you with another gay caller for 20 minutes. Private, hot conversation! You can exchange phone numbers and, best of all, it's just \$2.00 plus tolls on your phone bill.\*

Give us a call.

## THE CONNECTION LINE

- We are already the most established and reliable gay phone matching service in other cities across the U.S.
- You are guaranteed a matching caller every call.
- Compare and save! Twenty minutes on our service costs only \$2.00.
- You don't have to pay in advance with a credit card, check or money order. Our fee is discreetly billed to your phone number.\*\*
- The Connection Line charges no per minute fees, nor per day charges for non-use.

DIAL

**(212) 279-MEET**

And join The Connection Line today!

\*\$2.00 charge applies to New York Tel. customers. Charges from other companies may vary. New York Tel. is not in any way involved with this service.

\*\*You must be 18 years or older. We simply bill your telephone calling card. If you don't have one, get one right away by calling your phone company business office today.

David Callahan illustration from photography by Leo Goates

NEW YORK NATIVE/NOVEMBER 16, 1987 5

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# EXHIBIT NCC-3

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To: TODD LESSER

Fax Number: 497-4777

Number of Pages to Follow: 5

From: Gary Ng  
Account Manager  
2650 Camino Del Rio No.  
San Diego, CA 92108  
Ph: (619) 220-7740  
Fax: (619) 220-7737

Notes: FAX BACK ASAP!

Gary

### DIRECT TERMINATION SERVICE AGREEMENT

This Agreement is made and entered into by and between SPRINT COMMUNICATIONS COMPANY L.P., a Delaware limited partnership having an office at 3100 Cumberland Circle, Atlanta, Georgia 30339, ("Sprint") and HFT, Inc., having offices at 9974 Scripps Ranch Blvd, Suite 33, San Diego, Ca. 92131 ("Customer"). Sprint is a telecommunications common carrier providing services pursuant to various state regulatory commissions, which may be amended from time to time. "Direct Termination Service" is a Sprint telecommunications service, as described herein, by which Sprint terminates DTS calls to Customer NXXs over Terminating Circuits for the mutual advantage of both parties. Additional terms and conditions relating to services provided by Sprint are provided under applicable Sprint tariffs.

1. Definitions.

- A. "DTS calls" means long distance call traffic originating on the Sprint Network and terminated by Sprint at the NXXs specified in Exhibit A over Terminating Circuits, excluding any long distance call traffic which is part of or billed under any other Customer ordered Sprint service or program.
- B. "Minutes" means the number of minutes of DTS call traffic during any monthly billing period.
- C. "Net Savings" is Sprint's estimated local exchange carrier terminating switched access cost savings generated by Direct Termination Service calculated as set forth in Section 4 below.
- D. "Sprint Network" means the nationwide fiber optic telecommunications network operated by Sprint. The Sprint Network shall not include any facility connecting an end user with any Sprint point-of-presence.
- E. "Terminating Circuit" means the T-1 facility connecting the serving Sprint point-of-presence with a Customer location designated in Exhibit A.

2. Term. The term of this Agreement shall commence on the first day of the next billing month following the execution and delivery of this Agreement by both parties and shall continue until terminated by either party upon not less than ninety (90) days written notice.

Sprint Proprietary Information - RESTRICTED

3. Provision of Terminating Circuits. Customer shall provide all Terminating Circuits specified in Exhibit A at its sole cost and expense. For purposes of this Agreement Customer shall utilize only T-1 circuits to interconnect the Sprint Network to Customer facilities listed in Exhibit A. All channels within each Terminating Circuit will be used by Sprint to deliver DTS calls to Customer.

4. Commissions/Reimbursement. Sprint will reimburse Customer expenses and pay commissions to Customer calculated as follows:

- (i) Sprint will reimburse out of Net Savings, to the extent that Net Savings are available during each billing month, Customer's actual out-of-pocket monthly recurring channel mileage and channel termination costs for the Terminating Circuits, and
- (ii) Sprint will pay to Customer a commission in the amount of 50% of any remaining Net Savings after such reimbursement.

Net Savings means (a) the weighted average switched access terminating rate (equal to 10% of the Sprint state average Feature Group B Terminating Switched Access rate per minute for interstate calls, plus 90% of the Sprint state average Feature Group B Terminating Switched Access rate per minute for intrastate calls), (b) multiplied by Minutes.

5. Payment Terms. Commissions and reimbursements will be calculated on a monthly basis and payment made to Customer within forty-five (45) days after the end of each billing month. Payment will be made by credit to the address set forth on the first page hereof. An explanation of the commission calculation will be made available to Customer upon request.

No commission or reimbursement shall be due on DTS calls terminated after any termination or expiration of this Agreement. Sprint shall have the right to retain and offset any amounts owed to Customer hereunder against any past due amounts owed by Customer to Sprint for any reason whatsoever.

6. Confidentiality. The terms and conditions of this Agreement shall be considered proprietary and restricted information by each party and, during the term hereof and for the period of one year thereafter, shall be maintained in confidence with the same degree of care that each party uses to protect its own confidential, proprietary or similarly

Sprint Proprietary Information - RESTRICTED

restricted information. This provision shall not restrict either party from making any disclosure required by applicable law.

7. Limitation of Liability. Sprint's liability under this Agreement shall be limited to its obligation to pay commissions and reimbursements out of Net Savings as set forth herein and its obligations pursuant to applicable tariffs. Sprint will not be liable for the termination of long distance call traffic to any one or more of Customer's locations over facilities not included under this Agreement. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE LOSS OR DAMAGE OF ANY KIND, INCLUDING LOST PROFITS (WHETHER OR NOT EITHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE), BY REASON OF ANY ACT OR OMISSION IN ITS PERFORMANCE UNDER THIS AGREEMENT.

Nothing in this section 7 shall be deemed to limit either party's liability for direct damages for personal injury or property damage, to the extent of that party's prorata portion of fault. Claims by either party for contribution with respect to such prorata liability for such direct damages for personal injury or property damage are not hereby waived or released..

8. Governing Law. This agreement shall be construed and enforced under the laws of the state of Washington.
9. Notices. All notices required by this Agreement shall be in writing, sent by registered or certified mail, return receipt requested, facsimile or overnight courier. Notice to Customer shall be sent to the address on the face of this Agreement. Notice to Sprint shall be sent to 3100 Cumberland Circle, Atlanta, Georgia 30339, Attention: President-BMG, with a copy to 8140 Ward Parkway, Kansas City, Missouri 64114, Attention: Law Department. Each party may change its address for notice by giving the other party notice of such change in accordance with this paragraph.
10. Modification. This Agreement may not be modified, or amended or any covenant herein or default hereunder waived, except in writing signed by both parties.
11. Entire Agreement. This Agreement represents the entire agreement between the parties with respect to the subject matter hereof. No negotiations, promises or discussions conducted prior to execution of the Agreement shall be of any force or effect.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their authorized representatives as of the date first above written.

Sprint Proprietary Information - RESTRICTED

05/16/95 11:03 M&BA

ID:

MAY 16 '95 13:25 No.005 P.05

HPT, Inc.

By: Fred Lesser

Name: Fred Lesser

Title: Operations

Date: May 16, 95

SPRINT COMMUNICATIONS COMPANY  
L.P.

By: Alan Lachar

Name: \_\_\_\_\_

Title: Group Manager

Date: \_\_\_\_\_

Sprint Proprietary Information - RESTRICTED

05/16/95 11:04



007

M&BA

ID:

MAY 16 '95 13:26 No.005 P.06

HFT, Inc.  
DTS  
Exhibit A

CUSTOMER LOCATION	NPA-NXX	NO. OF TERMINATING CIRCUITS
HFT, Inc	801-473	72

Sprint Proprietary Information - RESTRICTED

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# EXHIBIT NCC-4

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**EXCLUSIVELY  
FOR  
PHILLY'S  
GAY  
MEN!**



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MORE!**

Let the Gay Connection help you find that special man  
from right here in Philadelphia.  
Speak privately one-on-one with other gay men, and with our rematch feature,  
you control who you speak with while maintaining your privacy.

**THE GAY  
CONNECTION**

**1-900-346-M<sup>6</sup>E<sup>3</sup>E<sup>3</sup>T<sup>8</sup>**  
Only 98¢ per minute.

(Example: A 9 minute call to this program would cost \$8.82)  
Probability of matching varies. Must be 18 years or older.

Try our demo #: (215) 854-0992



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# EXHIBIT NCC-5

---

1 SHEPPARD, MULLIN, RICHTER & HAMPTON LLP  
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2 jmittermiller@sheppardmullin.com  
Shannon Z. Petersen (Cal. Bar No. 211426)  
3 spetersen@sheppardmullin.com  
501 West Broadway, 19th Floor  
4 San Diego, California 92101-3598  
Telephone: 619-338-6500  
5 Facsimile: 619-234-3815

6 BRIGGS AND MORGAN, P.A.  
Philip R. Schenkenberg (admitted *pro hac vice*)  
7 pschenkenberg@briggs.com  
Brooke C. Swenson (admitted *pro hac vice*)  
8 bswenson@briggs.com  
2200 IDS Center  
9 80 South Eighth Street  
Minneapolis, Minnesota 55402-2157  
10 Telephone: (612) 977-8400  
Facsimile: (612) 977-8650

11 Attorneys for Defendant  
12 Sprint Communications Company L.P.

13 UNITED STATES DISTRICT COURT  
14 SOUTHERN DISTRICT OF CALIFORNIA  
15

16 North County Communications Corporation, a  
California corporation,

17 Plaintiff,

18 v.

19 Sprint Communications Company L.P.,

20 Defendant.  
21

Case No. 3:09-CV-02685-AJB-WMC

DECLARATION OF REGINA ROACH

22 I. INTRODUCTION

23 1. My name is Regina Roach and I am employed by Sprint United Management  
24 Company, a wholly-owned subsidiary of Sprint Nextel Corporation. My title is Manager, Access  
25 Verification, and I provide services for various subsidiaries of Sprint Nextel Corporation,  
26

1 including the defendant in this case, Sprint Communications Company L.P., in its capacity as an  
2 interexchange carrier ("Sprint"). I make this affidavit based on my own personal knowledge.

3 2. I have been assigned to Sprint's Access Verification since November 2001. In that  
4 role, I oversee the process by which Sprint receives bills from local exchange carriers ("LECs")  
5 for access services, verifies the accuracy of such bills, files disputes (if appropriate), and pays  
6 bills (where appropriate). I currently manage a staff of two people who report to me.

7 3. Sprint operates as (among other things) a long distance carrier or interexchange  
8 carrier ("IXC"). As an IXC, Sprint delivers interstate and intrastate calls to local exchange  
9 carriers that serve called telephone numbers.  
10

11 **II. TRAFFIC DELIVERED TO NORTH COUNTY**

12 4. The traffic that Sprint delivers comes from different sources.

13 5. One source of traffic is native wireless traffic. By native wireless traffic, I mean  
14 traffic from a customer of a wireless company that is a wholly-owned subsidiary of the parent  
15 company of Sprint. This traffic is carried by Sprint as part of an intercompany service  
16 arrangement between Sprint and those wireless affiliates ("Sprint Wireless Traffic").  
17

18 6. A second source of traffic is Sprint CLEC traffic. Sprint carries this traffic as part  
19 of a suite of services that Sprint, in conjunction with its competitive local exchange carrier  
20 ("CLEC") operations, provides to cable multiple system operators ("MSOs"). This is a jointly  
21 provided service in support of the voice service provided by those cable MSOs primarily to  
22 residential subscribers ("Sprint CLEC Traffic").  
23  
24  
25  
26

1           7. A third source is traffic from wireline retail end-users that subscribe to a  
2 residential or enterprise long-distance service provided by Sprint on a presubscribed basis  
3 ("Presubscribed Traffic").

4           8. A fourth source is traffic that stems from wholesale long-distance arrangements  
5 that Sprint has with unaffiliated carriers ("Wholesale Traffic").  
6

7           9. I recently reviewed the traffic delivered to North County from Sprint's IXC  
8 switches to North County in California, Arizona, Illinois, and Oregon to determine the relative  
9 percentages of the different types of traffic. I pulled data for calls handled by Sprint's long  
10 distance switches for the period May 1, 2011 through May 31, 2011.

11           10. Based upon that review, the relative percentages of traffic to North County are as  
12 follows:

Sprint Wireless Traffic	96.6%
Sprint CLEC Traffic	2.9%
Wholesale Traffic and Presubscribed Traffic	.5%

16  
17           11. Based upon this analysis, Sprint traffic makes up 99.5% of the traffic delivered to  
18 North County, and the amount of true wholesale traffic is less than .5%.

19           12. I have no reason to believe that the relative percentages of traffic to North County  
20 are materially different today than during the study period.  
21

### 22 23 III. NCC TRAFFIC VOLUME PATTERNS

24           13. I have reviewed Mr. Lesser's Declaration of September 13, 2011. In that  
25 Declaration, Mr. Lesser alleges that Sprint improperly increased the traffic that it was sending to  
26

1 NCC when settlement negotiations ceased. While Mr. Lesser makes a number of statements that  
2 are questionable and without support, I will not provide comment on those allegations. I will,  
3 however, speak to his allegation that traffic volumes have increased.

4 14. It appears that Mr. Lesser has taken an isolated snapshot of traffic volumes and  
5 used it to reach inaccurate conclusions. Traffic volumes can fluctuate from month to month for a  
6 variety of reasons and often do.

7 15. However, I disagree with Mr. Lesser's contention that traffic volumes have  
8 increased over the long term. When I compared the volumes of traffic in late 2009 to the volumes  
9 in late 2010, I found that the volumes had actually decreased.

10 16. As one example, for Arizona, North County's October 2009 invoice billed Sprint  
11 for 9.9 Million interstate minutes of use and the October 2010 invoice billed Sprint 7.3 Million  
12 interstate minutes of use. Similarly, in November 2009, North County billed Sprint for 9.0  
13 Million interstate minutes of use and, in November 2010, North County billed Sprint for 5.2  
14 Million interstate minutes of use.

15 17. As another example, for California, in October 2009, North County billed Sprint  
16 for 1.5 Million interstate minutes of use and, in October 2010, North County billed Sprint for 947  
17 Thousand interstate minutes of use. Similarly, in November 2009, North County billed Sprint for  
18 1.4 Million interstate minutes of use and, in November 2010, North County billed Sprint for 853  
19 Thousand interstate minutes of use. I have noted similar patterns for Illinois and Oregon.

20 18. Therefore, Mr. Lesser's allegations that Sprint has "actually increased the amount  
21 of traffic" it is sending North County is misleading.

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I declare under penalty of perjury that the above statements are true and correct.

Dated: September 27, 2011

By: Regina Roach  
Regina Roach

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EXHIBIT NCC-6

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IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF CALIFORNIA

NORTH COUNTY COMMUNICATIONS  
CORPORATION, a California  
corporation,

Plaintiff,

vs.

Case No. 3:09-CV-02685

AJB (WMC)

SPRINT COMMUNICATIONS  
COMPANY, LP, a Delaware  
limited partnership,

Defendant.

VIDEOTAPED DEPOSITION OF SPRINT COMMUNICATIONS COMPANY, LP, the Defendant, through its designated representative, REGINA ROACH, a witness, pursuant to Notice, on the 23rd day of May, 2012, at the offices of Hostetler & Associates, 8001 Conser Street, Suite 200, Overland Park, Kansas, before JESSI C. SWARD

Pages 1 - 181

Page 1



1 Q. (By Mr. Dicks) Okay. What is this document, 17:32:25  
2 ma'am? 17:32:27  
3 A. Give me just a minute to look it over. 17:32:28  
4 Okay. I've finished. 17:32:46  
5 This document is a "CLEC Rate Dispute 17:32:48  
6 Worksheet," and it shows the calculation of 17:32:52  
7 the dispute claim that was presumably filed on 17:32:56  
8 one of North County's accounts -- the band 17:33:02  
9 number is listed there in the heading -- on 17:33:06  
10 charges that were billed on the invoice dated 17:33:09  
11 August 1st of 2004. The dispute description 17:33:12  
12 is the last line on this sheet. It reads, 17:33:18  
13 "510 interstate rate adjustment of \$213.12 17:33:21  
14 due. Dispute 144,777 minutes to PacBell rate 17:33:28  
15 of .008075." That's the description of the 17:33:34  
16 dispute claim. 17:33:39  
17 Q. Let's go up under the column that says "Billed 17:33:41  
18 Rate" versus "Contract Rate." 17:33:44  
19 A. Yes. I see it. 17:33:46  
20 Q. Is part of the problem that North County 17:33:49  
21 billed at 00955 as opposed to 00808? 17:33:51  
22 A. Yes. 17:33:59  
23 Q. And, therefore, there's a compensation 17:34:00  
24 adjustment of six -- excuse me -- \$1169.07? 17:34:01  
25 I'm sorry. I'm sorry. 17:34:07

1                   There's a net adjustment due of \$213?   17:34:09

2       A.   Yes.   \$213.12.                               17:34:12

3       Q.   Because it was billed at the wrong rate?       17:34:15

4       A.   Yes.   17:34:18

5       Q.   This was an overbilling issue; correct?       17:34:19

6       A.   Yes.   It was a rate -- an interstate rate   17:34:21

7           issue.                                       17:34:25

8       Q.   Okay.   Now, look at the intrastate rate issue   17:34:25

9           where it appears that the contract rate was   17:34:29

10          higher than the billed rate and, therefore,   17:34:33

11          Sprint was underbilled; correct?           17:34:36

12       A.   Yes.   That's what it --                   17:34:41

13       Q.   Why is there no net adjustment due to North   17:34:43

14          County Communications outlined in this       17:34:46

15          document?                                   17:34:49

16       A.   Because Sprint's purpose in access           17:34:50

17          verification is to identify overbilling, not   17:34:55

18          underbilling.                               17:34:59

19       Q.   I thought it was -- the primary goal you just   17:35:00

20          recited earlier was to see that bills are paid   17:35:02

21          promptly and correctly?                   17:35:06

22       A.   Yes, that billed charges are paid promptly and   17:35:07

23          correctly.                                   17:35:10

24       Q.   Well, this wouldn't reflect paying the bill   17:35:11

25          promptly and correctly if you're not       17:35:14

1           accounting for the underbilling, are you?           17:35:16

2       A.   Well, the charges that were billed for           17:35:18

3           interstate traffic were \$1,092.17; so we would   17:35:20

4           have been paying those billed charges.           17:35:24

5       Q.   Yeah. But you're not paying the correct           17:35:27

6           amount; correct? Because you got billed --       17:35:29

7           you got underbilled.                               17:35:30

8       A.   If the vendor would've issued an adjustment to   17:35:33

9           that on a subsequent bill, we would've paid       17:35:36

10          those charges, but we're not funded or staffed   17:35:39

11          to identify every possible underbilling due to   17:35:41

12          a vendor error. We're staffed and resourced       17:35:44

13          to look for overbilling.                           17:35:48

14       Q.   Well, this -- this is identifying in black and   17:35:51

15          white that you got underbilled. I mean,           17:35:54

16          somebody did the work here to show you were       17:36:00

17          underbilled; correct?                               17:36:02

18       A.   Yes.   17:36:06

19       Q.   And Sprint took no step to do a net adjustment   17:36:07

20          to make the bill accurate in that regard --       17:36:12

21                   MR. SCHENKENBERG: I'm going to           17:36:15

22          object --   17:36:16

23       Q.   (By Mr. Dicks) -- correct?                       17:36:16

24                   MR. SCHENKENBERG: I'm going to           17:36:18

25          object to this as beyond the scope and lacking   17:36:18

1 foundation. 17:36:21

2 Q. (By Mr. Dicks) Go ahead. You can answer. 17:36:23

3 A. Again, as I stated, Sprint's process is not to 17:36:26

4 identify underbilling. We're not the billing 17:36:29

5 party. We're the billed party. And our 17:36:31

6 objective is to pay -- pay valid billed -- 17:36:35

7 Q. I'm sorry. Go ahead. 17:36:38

8 A. -- charges. Our objective is to pay valid 17:36:39

9 billed charges on a timely basis, identify, 17:36:42

10 dispute, and obtain credit for any 17:36:44

11 overbilling. 17:36:47

12 Q. Wasn't one of your stated objectives that was 17:36:50

13 outlined in Exhibit 2, was to timely pay and 17:36:55

14 verify the accuracy of the bills? Let's look 17:37:03

15 at page 2 of Exhibit 2. 17:37:17

16 A. Right. I'm looking at it right now. 17:37:18

17 Q. Let me ask a question about Item No. 1, 17:37:22

18 "Ensure invoices are paid timely to avoid 17:37:25

19 customer impacting disconnects and meet 17:37:31

20 Sprint's contractual obligations." 17:37:35

21 Isn't that what it says? 17:37:38

22 A. Yes, it is. Yes, it does. 17:37:39

23 Q. And wouldn't it have -- I mean, this -- this 17:37:40

24 Exhibit No. 4 indicates that Sprint was 17:37:47

25 underbilled and, therefore, did not meet its 17:37:52

1 contractual obligations; correct? 17:37:55

2 MR. SCHENKENBERG: Objection. Calls 17:37:57

3 for a legal conclusion. 17:37:57

4 A. Yeah, I really couldn't comment on 17:37:59

5 interpretation of the contract and whether it 17:38:03

6 would require us to audit the bills for any 17:38:05

7 potential underbilling or whether it would 17:38:09

8 require us to pay billed charges. 17:38:12

9 Q. (By Mr. Dicks) But you have to agree, though, 17:38:14

10 that this document shows that Sprint did audit 17:38:16

11 it for underbilling and found an underbilling 17:38:22

12 error; correct? 17:38:27

13 A. An underbilling error could have been 17:38:33

14 identified from this, yes, but there was no 17:38:35

15 credit that needed to be made stemming from 17:38:39

16 that. 17:38:41

17 Again, as I stated, our objective is 17:38:42

18 not to identify any underbilling by the 17:38:44

19 billing party. It's the billing party's 17:38:49

20 responsibility to do that. And, obviously -- 17:38:51

21 Q. Okay. 17:38:54

22 A. -- I think what this shows to me is the 17:38:54

23 inaccuracy of the bills we were receiving. 17:38:56

24 Both inter- and intrastate were billed at the 17:38:58

25 incorrect rates. 17:39:02

1 Q. And the fact is that Sprint audited and found 17:39:04  
2 out that it was being underbilled and did 17:39:06  
3 nothing about it; correct? 17:39:09  
4 MR. SCHENKENBERG: Asked and 17:39:11  
5 answered. 17:39:11  
6 Q. (By Mr. Dicks) Correct, ma'am? 17:39:13  
7 MR. SCHENKENBERG: And foundation. 17:39:14  
8 Q. (By Mr. Dicks) Correct, ma'am? 17:39:17  
9 A. Yes, that's correct. I haven't looked to see 17:39:18  
10 whether the net impact of both of these would 17:39:21  
11 be a positive or negative, but, as I stated, 17:39:24  
12 Sprint's access verification department is 17:39:31  
13 staffed and funded to identify overbilling and 17:39:33  
14 obtain credit for it, not to identify 17:39:37  
15 underbilling. 17:39:41  
16 MR. DICKS: Okay. I don't have 17:39:41  
17 anything else, Phil. 17:39:42  
18 I don't think we have stipulations 17:39:46  
19 that we can just duplicate, do we, with this 17:39:48  
20 court reporter? 17:39:53  
21 MR. SCHENKENBERG: No. I'm not sure 17:39:54  
22 what you mean but ... 17:39:55  
23 MR. DICKS: All right. I'm going to 17:39:57  
24 go ahead and recite stip -- a stipulation for 17:39:58  
25 the handling of the transcript. Okay? 17:40:00

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# EXHIBIT NCC-7

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STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

North County Communications Corporation	:	
of Illinois	:	
	:	08-0003
Application for a Certificate of Local and	:	
Interexchange Authority to Operate as a	:	
Reseller and Facilities Based Carrier of	:	
Telecommunications Services in the State	:	
of Illinois.	:	

ORDER

By the Commission:

On January 3, 2008, North County Communications Corporation of Illinois ("Applicant" or "NCCI"), filed a verified application with the Illinois Commerce Commission ("Commission") pursuant to Sections 13-403 of the Public Utilities Act ("Act") for a Certificate of Interexchange Service Authority to provide interexchange facilities-based telecommunications services in Illinois; pursuant to 13-404 of the Act for a Certificate of Service Authority to provide resold local and interexchange telecommunications services in Illinois; and pursuant to 13-405 of the Act for a Certificate of Exchange Service Authority to provide local facilities-based telecommunications services in Illinois.

Pursuant to notice given in accordance with the rules and regulations of the Commission, this matter came on for hearing before a duly authorized Administrative Law Judge of the Commission at its offices in Chicago, Illinois on February 28, 2008. Applicant presented the testimony of David Klein, its Legal Counsel of Telephony Services. A. Oludanjo Omoniyi of the Telecommunications Division appeared for Commission Staff. At the conclusion of the hearing on February 28, 2008, the record was marked "Heard and Taken." Thereafter, on April 22, 2008, Applicant moved for, and was granted leave to file affidavit instant. By this affidavit, Todd Lesser, the President of NCCI, adopted as his own the testimony of Mr. Klein.

Applicant's Position

Applicant, a California corporation authorized to transact business in Illinois, seeks to provide resold and facilities-based local and interexchange telecommunications services. Applicant submitted evidence to show that it has the requisite technical, financial, and managerial qualifications to provide the services set forth in its application. It provided evidence that its key management personnel have the requisite business and telecommunications experience to support the services it will offer in Illinois. Applicant also provided a Balance Sheet and an Income Statement as evidence of the sufficiency of its financial resources to sustain its operations in Illinois. The record shows that Applicant would provide some of its own technical support and would contract for such support as needed. Applicant would also adhere to all federal and state laws and regulations pertaining to slamming and cramming.



### Staff's Position

Staff stated that it had reviewed the application of NCCI and all of the supporting documentation. In doing so, Mr. Omoniyi considered the managerial skill, technical expertise and financial means of the Applicant. On basis of its full review, Staff recommended that the application be approved.

By the whole of its application, NCCI has requested that the Commission make certain declarations and grant certain waivers of the requirements of the Public Utilities Act and from the rules and regulations of the Commission. The services that the Applicant proposes to provide will be competitive telecommunications services as described in Section 13-502(b) of the Act. Applicant is required to file a tariff with the Commission under Section 13-501 of the Act describing the nature of its service, the applicable rates and charges, and the terms and conditions of the service provided. If Applicant files the required tariff in compliance with Section 13-502(e) of the Act and the rules adopted thereunder in 83 Ill. Adm. Code 745, many provisions of the Act as well as the regulations adopted by the Commission in Title 83 of the Illinois Administrative Code will be inapplicable to the Applicant.

For local and interexchange service, Applicant should be granted pursuant to Section 13-402 of the Act, a waiver of 83 Ill. Adm. Code, Part 710, the requirement to keep books and records in accordance with the Uniform System of Accounts, in order to reduce the economic burdens of regulation on a telecommunications carrier which provides only competitive services.

With respect to local exchange service, Applicant should be granted a variance from Part 735.180. Applicant will contract with underlying carriers to include Applicant's customer listings in their directories. For interexchange service, Applicant should further be granted a waiver of Part 735, governing credit, billing deposits, and termination of service, for the reasons stated hereinabove.

Applicant has specifically requested Commission approval, pursuant to 83 Ill. Adm. Code 250, to maintain its books and records at its principal place of business in California. Applicant's request should be granted in accordance with Section 5-106 of the Act.

### Findings and Ordering Paragraphs

The Commission, having considered the entirety of the record and being fully advised in the premises, is of the opinion and finds that:

- (1) North County Communications Corporation of Illinois, a California corporation authorized to transact business in Illinois, seeks a Certificate of Interexchange Service Authority to provide facilities-based interexchange telecommunications services in Illinois; a Certificate of Service Authority to provide resold local and interexchange telecommunications services in Illinois; and a Certificate of Exchange Service Authority to provide facilities-based local telecommunications services in Illinois;
- (2) the Commission has jurisdiction over the Applicant and the subject matter herein;
- (3) as required under Sections 13-403, 13-404, and 13-405 of the Act, Applicant possesses sufficient technical, financial and managerial resources to provide

facilities-based interexchange, resold local and interexchange, and facilities-based local exchange telecommunications services in Illinois;

- (4) Applicant should file with the Commission a tariff consisting of its rates, rules and regulations in accordance with Sections 13-501 and 13-502 of the Act, to be effective upon proper filing, before commencing service;
- (5) with regard to Applicant's provision of local exchange service, Applicant should be granted a variance from the requirements of 83 Ill. Adm. Code 735, Section 735.180, regarding publication of local directories, as it will contract with the incumbent local exchange carrier to include Applicant's customer listings within those directories;
- (6) with regard to Applicant's provision of local and interexchange service, Applicant should be granted a waiver from 83 Ill. Adm. Code 710, the Uniform System of Accounts for Telecommunications Carriers, as long as Applicant maintains its accounting records in accordance with Generally Accepted Accounting Principles and at a level of detail substantially similar to the accounting system which it currently uses pursuant to its Chart of Accounts, and in sufficient detail to comply with all applicable tax laws;
- (7) with regard to Applicant's provision of interexchange services, Applicant should further be granted a waiver of Part 735, governing credit, billing deposits, and termination of service;
- (8) Applicant should establish books of account such that revenues from its telecommunications services, subject to the public utility revenue tax, are segregated from the revenues derived from other business activities not regulated by the Commission;
- (9) Pursuant to 83 Ill. Adm. Code 250, Applicant should be allowed to maintain its books and records at its principal place of business in California in accordance with Section 5-106 of the Act.

IT IS THEREFORE ORDERED by the Illinois Commerce Commission that North County Communications Corporation of Illinois be, and is hereby granted a Certificate of Interexchange Service Authority pursuant to Section 13-403 to provide facilities-based interexchange telecommunications services in Illinois.

IT IS FURTHER ORDERED that the Certificate of Interexchange Service Authority hereinabove granted shall be the following:

CERTIFICATE OF INTEREXCHANGE SERVICE AUTHORITY

IT IS HEREBY CERTIFIED that North County Communications Corporation of Illinois is authorized, pursuant to Section 13-403 of the Public Utilities Act, to provide facilities-based interexchange telecommunications services within the State of Illinois.

IT IS FURTHER ORDERED by the Illinois Commerce Commission that North County Communications Corporation of Illinois be, and is hereby granted a Certificate of Service Authority pursuant to Section 13-404 of the Act for the resale of local and interexchange telecommunications services in Illinois.

IT IS FURTHER ORDERED that the Certificate of Service Authority hereinabove granted shall be the following:

CERTIFICATE OF SERVICE AUTHORITY

IT IS HEREBY CERTIFIED that North County Communications Corporation of Illinois is authorized, pursuant to Section 13-404 of the Public Utilities Act, to provide resold local and interexchange telecommunications services within the State of Illinois.

IT IS FURTHER ORDERED by the Illinois Commerce Commission that North County Communications Corporation of Illinois be, and is hereby, granted a Certificate of Exchange Service Authority pursuant to Section 13-405 of the Act for the provision of facilities-based local exchange telecommunications services in Illinois.

IT IS FURTHER ORDERED that the Certificate of Service Authority hereinabove granted shall be the following:

CERTIFICATE OF EXCHANGE SERVICE AUTHORITY

IT IS HEREBY CERTIFIED that North County Communications Corporation of Illinois is authorized, pursuant to Section 13-405 of the Public Utilities Act, to provide facilities-based local exchange telecommunications services within the State of Illinois.

IT IS FURTHER ORDERED that Applicant file with this Commission a tariff consisting of its rates, rules and regulations, to be effective upon proper filing before commencing service.

IT IS FURTHER ORDERED that 83 Ill. Adm. Code Parts 710, 735.180 and 735 be, and are hereby, waived as set forth in Findings (5), (6), and (7) hereinabove.

IT IS FURTHER ORDERED that North County Communications Corporation of Illinois shall comply with the requirements of Section 13-901 of the Act regarding the provision of operator services and any rules promulgated by the Commission thereto.

IT IS FURTHER ORDERED that as a condition of these Certificates, North County Communications Corporation of Illinois be and is hereby, directed to establish books of account such that revenues from its telecommunications services, subject to the public utility revenue tax, are segregated from the revenues derived from other business activities not regulated by the Commission.

IT IS FURTHER ORDERED that pursuant to 83 Ill. Adm. Code 250, Applicant is authorized to maintain its books and records at its principal place of business in California.

IT IS FURTHER ORDERED that subject to the provisions of Section 10-113 of the Public Utilities Act and 83 Ill. Adm. Code 200.880, this Order is final; it is not subject to the Administrative Review Law.

By Order of the Commission this 21<sup>st</sup> day of May, 2008.

(SIGNED) CHARLES E. BOX

Chairman

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

North County Communications Corporation :  
: :  
Application for Certificates of Local : 00-0818  
Authority to Operate as a Reseller :  
and Facilities-based Carrier of :  
Telecommunications Services in the :  
State of Illinois. :

ORDER

By the Commission:

On December 22, 2000, North County Communications Corporation (the "Applicant") filed a Verified Application with the Illinois Commerce Commission (the "Commission") seeking Certificates of Service Authority to provide facilities-based local exchange and interexchange telecommunications services in the State of Illinois pursuant to Sections 13-403 and 13-405 of the Public Utilities Act, 220 ILCS 5/1-101, et seq. (the "Act"). Applicant also sought waivers of Parts 710, 735 and 250, as well as a variance of Part 735.180.

Pursuant to notice given in accordance with the law and the rules and regulations of the Commission, this matter came on for a hearing before a duly authorized Hearing Examiner of the Commission at its offices in Chicago, Illinois, on March 2, 2001. At the hearing, the Applicant moved to amend its Petition to include a request for authority to provide resold exchange authority and interexchange authority pursuant to Section 13-404 of the Act. Staff stated that it had no objection to the Applicant's request. At the conclusion of the hearing, the record was marked "Heard and Taken."

The Applicant was represented by counsel and it appeared by its President, Todd Lesser, who testified in support of the petition. Barbara Lankford, of the Consumer Services Division, and Judith Marshall, of the Telecommunications Department of the Public Utilities Division, appeared on behalf of the Staff.

Lesser testified that the Applicant is a California corporation that is authorized to do business in Illinois. The Applicant intends to provide basic local exchange services, intra-NPA and inter-LATA services, to businesses and residential customers, as well as local exchange access services to single-line and multi-line customers to businesses and other services. Lesser's testimony also established that the Applicant has the requisite technical, managerial and financial qualifications to provide telecommunications services in Illinois.

Lesser's testimony additionally established that the Applicant's management has considerable training and experience in the telecommunications field. Lesser also sponsored as Exhibits the Applicant's financial statements, which demonstrate that Applicant has the financial qualifications to provide telecommunications services in Illinois. The Applicant has indicated that it will abide by all federal and state "slamming" and "cramming" laws. (Section 258 of the Telecommunications Act of 1996 and Section 13-902 of the Public Utilities Act). The Applicant has also indicated that it currently has procedures in place to prevent "slamming" and "cramming."

Staff stated that it had reviewed the application and supporting documentation and it has no objection to the Commission grant of the authority requested in this proceeding.

The Applicant has requested that the Commission make certain declarations and grant certain waivers of the Act, and from the rules and regulations of the Commission. The services the Applicant proposes to provide will be competitive telecommunications services, as described in Section 13-502(b) of the Act. The Applicant is required to file tariffs with the Commission under Section 13-501 of the Act, describing the nature of its services, the applicable rates and charges and the terms and conditions of the service provider. If the Applicant files the required tariffs in compliance with Section 13-502(e) and the rules adopted thereunder in 83 Ill. Admin. Code Section 745, many of the provisions of the Act, as well as regulations adopted by the Commission in Title 83 Illinois Administrative Code, will be inapplicable to the Applicant.

The Applicant seeks waivers of 83 Ill. Admin. Code Sections 710 and 735, with regard to interexchange services, and Sections 710 and 735.180, with regard to local exchange services. Section 710 is entitled "Uniform System of Accounts for Telecommunications Carriers" and Section 735 is entitled "Procedures Governing the Establishment of Credit, Billing Deposits, Termination of Service and Issuance of Telephone directories for Local Exchange Telecommunications Carriers in the State of Illinois. Section 735.180 concerns the provisioning of telephone directories by local exchange carriers.

The Applicant's request for a waiver of 83 Ill. Admin. Code Section 710, which governs maintaining books and records under the Uniform System of Accounts, should be granted in order to reduce the economic burdens of regulation of a company that provides only competitive services.

The Applicant's request for a waiver of Section 735 should also be granted in the context of interexchange services, since the rules contained therein are not applicable to interexchange services.

The Applicant should be granted its request for a variance of Part 735.180 in the context of local exchange services, which governs telephone directory services. Section 735.50 states that a permanent variance from this Section may be granted when the Commission finds that the provision from which the variance is granted is not statutorily



mandated, no party will be injured by the granting of the variance, and the rule from which the variance is granted would be unreasonable or unnecessarily burdensome, if applied.

The Applicant additionally seeks permission to keep its books and records at its principal place of business in California, rather than Illinois, pursuant to 83 Ill. Admin. Code Section 250, which governs maintaining books and records in Illinois. Applicant's request should be granted, in accordance with Section 5-106 of the Act.

The Commission, having reviewed the entire record and being fully advised in the premises, is of the opinion and finds that:

- (1) the Commission has jurisdiction over the Applicant and the subject-matter herein;
- (2) the Applicant, North County Communications Corporation, a California corporation that is authorized to do business in Illinois, is seeking to obtain certificates of service authority pursuant to Sections 13-403, 13-404 and 13-405 of the Act in order to provide resold and facilities-based local exchange and interexchange services throughout the State of Illinois, and as such, it provides telecommunications service within the meaning of Section 13-203 of the Act;
- (3) as required by Sections 13-403, 13-404 and 13-405 of the Act, North County Communications Corporation, possesses the requisite technical, financial and managerial resources to provide transmission services and voice services throughout Illinois;
- (4) the recitals of fact and conclusions therein stated in the above portions of this Order are supported by the record and are hereby adopted as findings of fact;
- (5) the Applicant is granted a waiver of 83 Ill. Admin. Code Section 710, governing the Uniform System of Accounts, provided that the Applicant maintains its accounting records in accordance with Generally Accepted Accounting Principles in a level of detail similar to the accounting system it current uses and in sufficient detail to comply with all applicable tax laws;
- (6) with regard to providing telecommunications services on an interexchange basis, the Applicant is granted a waiver of 83 Ill. Admin. Code Section 735, as it relates to credit, billing, deposits and termination of services;
- (7) with regard to providing services on a local basis, the Applicant is granted a variance of 83 Ill. Admin. Code Section 735.180, the requirement to publish a directory, with the understanding that it will meet its obligation to list its customers in a directory by making arrangements with the incumbent local

exchange carrier to list its customers in the directories published by that local exchange carrier;

- (8) pursuant to 83 Ill. Admin. Code Section 250, the Applicant should be allowed to maintain its books and records at its principal place of business in California;
- (9) the Applicant shall comply with the requirements of 83 Ill. Admin. Code Sections 705, 755, 756, 757, 772 and Sections 13-301, 13-301.1 and 13-502 of the Act;
- (10) the Applicant should file with the Commission a tariff consisting of its rates, rules and regulations, in accordance with Sections 13-501 and 13-502 of the Act to be effective upon proper filing, before commencing service.

IT IS THEREFORE ORDERED that North County Communications Corporation, be, and is hereby, granted Certificates of Service Authority pursuant to Sections 13-402, 13-404 and 13-405 of the Act and that its Certificates of Service Authority should read as follows:

CERTIFICATE OF INTEREXCHANGE SERVICE AUTHORITY

IT IS HEREBY CERTIFIED that North County Communications Corporation, is authorized pursuant to Section 13-403 of the Public Utilities Act to provide telecommunications services on a facilities-based interexchange basis within the State of Illinois.

CERTIFICATE OF SERVICE AUTHORITY

IT IS HEREBY CERTIFIED that North County Communications Corporation, is authorized pursuant to Section 13-404 of the Public Utilities Act to provide telecommunications services on a resold interexchange and local basis within the State of Illinois.

CERTIFICATE OF EXCHANGE SERVICE AUTHORITY

IT IS HEREBY CERTIFIED that North County Communications Corporation, is authorized pursuant to Section 13-405 of the Public Utilities Act to provide telecommunications services on a facilities-based local exchange basis throughout the State of Illinois.



IT IS FURTHER ORDERED that North County Communications Corporation, is required to file with this Commission a tariff consisting of its rates, rules and regulations, to be effective upon proper filing, before commencing service.

IT IS FURTHER ORDERED that North County Communications Corporation, is granted its request for a waiver of 83 Ill. Admin Code Section 710, as long as it maintains its accounting records in accordance with generally Accepted Accounting Principles.

IT IS FURTHER ORDERED that North County Communications Corporation, is granted its request for a waiver of 83 Ill. Admin. Code Section 735, as is set forth in finding (6) above.

IT IS FURTHER ORDERED that North County Communications Corporation, is granted a variance of 83 Ill. Admin. Code Section 735.180, as is set out in Finding (7) above.

IT IS FURTHER ORDERED that North County Communications Corporation, is granted its request for a waiver of 83 Ill. Admin. Code Section 250, in order to keep its books and records in California.

IT IS FURTHER ORDERED THAT North County Communications Corporation, is required to comply with the provisions of 83 Ill. Admin. Code Sections 705, 720, 725, 755, 756, 757, and 772, to abide by the requirements of 83 Ill. Admin. Code Section 725 and the Emergency Telephone System Act and to comply with Sections 13-301, 13-301.1 and 13-703 of the Public Utilities Act.

IT IS FURTHER ORDERED that, subject to the provisions of Section 10-113 of the Public Utilities Act and 83 Ill. Admin. Code § 200.880, this Order is final; it is not subject to the Administrative Review Law.

By Order of the Commission this 11th day of April, 2001

Chairman